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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/696,441	10/28/2003	Robert Longman		8179

7590 01/08/2009  
Robert Longman and Sophia C Li  
11870 Santa Monica Blvd  
Suite 106, # 508  
Los Angeles, CA 90025

EXAMINER
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CHENCINSKI, SIEGFRIED E

ART UNIT	PAPER NUMBER
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3695

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01/08/2009

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b>		<b>Applicant(s)</b>	
	10/696,441		LONGMAN ET AL.	
	<b>Examiner</b>		<b>Art Unit</b>	
	SIEGFRIED E. CHENCINSKI		3691	

- The MAILING DATE of this communication appears on the cover sheet with the correspondence address -

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 01 May 2006.
- 2a) ☐ This action is FINAL.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 11-44 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 11-44 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date, _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>10/28/03</u>  | 6) <input type="checkbox"/> Other: _____                          |

## DETAILED ACTION

### *Specification*

#### 1. OBJECTION

The abstract of the disclosure is objected to because it exceeds the maximum permitted length of 150 word. Correction is required. See MPEP § 608.01(b), which is duplicated here for Applicant's convenience:

(b) A brief abstract of the technical disclosure in the specification must commence on a separate sheet, preferably following the claims, under the heading "Abstract" or "Abstract of the Disclosure." The sheet or sheets presenting the abstract may not include other parts of the application or other material. The abstract in an application filed under 35 U.S.C. 111 may not exceed 150 words in length. The purpose of the abstract is to enable the United States Patent and Trademark Office and the public generally to determine quickly from a cursory inspection the nature and gist of the technical disclosure.<

Applicant is reminded of the proper content of an abstract of the disclosure.

A patent abstract is a concise statement of the technical disclosure of the patent and should include that which is new in the art to which the invention pertains. If the patent is of a basic nature, the entire technical disclosure may be new in the art, and the abstract should be directed to the entire disclosure. If the patent is in the nature of an improvement in an old apparatus, process, product, or composition, the abstract should include the technical disclosure of the improvement. In certain patents, particularly those for compounds and compositions, wherein the process for making and/or the use thereof are not obvious, the abstract should set forth a process for making and/or use thereof. If the new technical disclosure involves modifications or alternatives, the abstract should mention by way of example the preferred modification or alternative.

The abstract should not refer to purported merits or speculative applications of the invention and should not compare the invention with the prior art.

Where applicable, the abstract should include the following:

- (1) if a machine or apparatus, its organization and operation;
- (2) if an article, its method of making;
- (3) if a chemical compound, its identity and use;
- (4) if a mixture, its ingredients;
- (5) if a process, the steps.

Extensive mechanical and design details of apparatus should not be given.

Applicant is requested to rewrite the Abstract to comply with the spirit and letter of the above guidelines, and to correct the causes of the objection. The Abstract submitted is primarily a recitation of components and systems procedures. The public generally would find it difficult to discern from a cursory inspection the nature and gist of the invention. Applicant is advised to build the Abstract around the summary of needs in the last paragraph of the Background statement in the Specification, making sure that it is consistent with the gist of the summary of the invention section which follows that paragraph.

Applicant also is requested to shorten the Abstract to 150 words or less, and to avoid reference marks to the specification and the drawings.

#### ***Claim Objections***

2. **Claim 26 is objected to** because of the following informalities: An apparent typographic error exists making claim 26 dependent on claim 29. Such a dependency is not permitted because claim 26 is about a seller terminal claim while claim 29 is about a method of operating a system controller. However, the context suggests that Applicant may have intended to make the claim dependent on claim 19, which also deals with a seller client terminal. Appropriate correction is required.

#### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. **Claims 28-44 are rejected** because the claimed invention is directed to non-statutory subject matter.

Claims 28-44 recite a process comprising the steps of conducting a buyer's offer auction for an item involving a seller and a plurality of bidders. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409

U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state, such as a processor, system and storage medium in the claim limitations.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 11-44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shoham (US Patent 6, 285,989 B1).**

**Shoham discloses** "a method and an apparatus for a universal auction specification system is disclosed. The universal auction specification system comprises a network accessible set of trading primitives. A script generator is used for combining the set of trading primitives into a temporal protocol script representing a particular auction specification." (Abstract).

"The present invention is a method and apparatus for designing and deploying an interactive, real-time, universal on-line trading market system serving traders communicating via the Internet.

The present invention is a method and apparatus that can be used to build any type of online auction using building blocks of its software technology. It includes a generic

toolkit that can be used to build auction solutions ranging from simple to very complex and sophisticated auctions.

The invention includes a universal auction specification system including a network accessible set of trading primitives and a script generator for combining the set of primitives into a temporal protocol script representing a particular auction specification. The system also includes a script interpreter for interpreting a temporal protocol script representing a particular auction specification, the script including references to at least a portion of the set of trading primitives." (Summary of the Invention, Col. 4, ll. 36-55).

**Re. Claims 28 & 11**, Shoham discloses a method and system controller of operating a system controller in conducting a buyer's offer auction for an item involving a seller and a plurality of bidders. Shoham does not disclose the exact language of the method comprising:

during an auction duration of the buyer's offer auction, facilitating a reception by the system controller of a sealed offer from each bidder for the item;

during the auction duration of the buyer's offer auction, facilitating an reception by the system controller from the seller of an acceptance of one of the sealed offers for the item; and

subsequent to the auction duration of the buyer's offer auction, facilitating an acceptance by the system controller of a first-placed highest offer among the sealed offers for the item.

However, Shoham discloses, suggests and makes obvious the following:

- during an auction duration of the buyer's offer auction, facilitating a reception by the system controller of a sealed offer from each bidder for the item (Controller – Col. 12, l. 41; Sealed offer – Col. 1, l. 40; any type of auction - Col. 4, l. 41-43; Col. 5, ll. 28-35; Col. 11, ll. 24-35; Col. 12, ll. 27-37; Col. 11, l. 21 – Col. 15, l. 30);
- during the auction duration of the buyer's offer auction, facilitating an reception by the system controller from the seller of an acceptance of one of the sealed offers for the item (Acceptance - Col. 5, l. 33); and

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- subsequent to the auction duration of the buyer's offer auction, facilitating an acceptance by the system controller of a first-placed highest offer among the sealed offers for the item (Build any type of auction - Col. 4, I. 42; First-placed highest offer - Col. 1, I. 40 - a first price sealed-bid auction offer is equivalent).

Therefore, given Shoham's broad, comprehensive, inclusive and flexible disclosure, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have used Shoham's disclosure with what would have been obvious to the ordinary practitioner of the art, to construct a method of operating a system controller in conducting a buyer's offer auction for an item involving a seller and a plurality of bidders, motivated by the desire to provide a method and apparatus for designing and deploying an interactive, real-time, universal on-line trading market system serving traders communicating via the Internet (Shoham, Col. 4, II. 37-40).

**Re. Claims 29 & 12**, Shoham discloses wherein the item includes a right (Col. 2, I. 42).

**Re. Claims 30-35 and 13-18**, Shoham does not explicitly disclose

**Re. Claims 30 & 13**, Shoham discloses facilitating an arrangement by the system controller of a plurality of sealed offers for the item in an order from an oldest, time entry of a sealed offer to a latest time entry of a sealed offer ().

**Re. Claims 31 & 14**, Shoham discloses facilitating an arrangement by the system controller of a plurality of sealed offers for the item in an order from a highest sealed offer to a lowest sealed offer.

**Re. Claims 32 & 15**, Shoham discloses facilitating a reception by the system controller from the seller of a decline of at least one of the sealed offers for the item.

**Re. Claims 33 & 16**, Shoham discloses facilitating a reception by the system controller from the seller of a disqualification of at least bidder.

**Re. Claims 34 & 17**, Shoham discloses facilitating a reception by the system controller from at least one bidder of a retraction of at least one of the sealed offers for the item.

**Re. Claims 35 & 18**, Shoham discloses facilitating a disqualification by the system controller of each bidder associated with a retracted sealed offer.

However, **re. claims 30-35 and 13-18**, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have implemented the

limitations of claims 30-35 and 13-18s because they are implicitly related to the details of administering a sealed bid auction. For example, arranging bids in oldest to latest by time entry, highest to lowest offer, declining of at least one sealed offer when the offer is uncompetitive or submitted too late, disqualifying at least one sealed offer when an offer fails to meet the required parameters for a bid or for other reasons such as being associated with a buyer with whom the seller will not do business, such as for credit reasons or objectionable operating practices, facilitating the retraction of an offer before an offer is accepted follows US law, and disqualifying each bidder who has retracted a sealed bid since that makes common sense in a sealed bid format and is common practice in such auctions. Therefore, given Shoham's broad, comprehensive, inclusive and flexible disclosure, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have used Shoham's disclosure with what would have been obvious to the ordinary practitioner of the art, to construct a method of operating a system controller in conducting a buyer's offer auction for an item involving a seller and a plurality of bidders, motivated by the desire to provide a method and apparatus for designing and deploying an interactive, real-time, universal on-line trading market system serving traders communicating via the Internet (Shoham, Col. 4, ll. 37-40).

**Re. Claim 36 & 19**, Shoham discloses a method and seller client terminal of operating a seller client terminal in conducting a buyer's offer auction for an item involving a seller and a plurality of bidders. Shoham does not disclose the exact language of the method comprising:

- during an auction duration of the buyer's offer auction, displaying an arrangement of a plurality of sealed offers for the item from the plurality of bidders;
- during the auction duration of the buyer's offer auction, facilitating a winning selection by the seller of one of the sealed offers for the item; and
- subsequent to the auction duration of the buyer's offer auction, facilitating an acceptance by the seller of a first-placed highest offer among the sealed offers for the item.

However, Shoham discloses, suggests and makes obvious the following:



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- during an auction duration of the buyer's offer auction, displaying an arrangement of a plurality of sealed offers for the item from the plurality of bidders (Display – Fig's 3 & 4; Col. 14, ll. 62-65. Sealed Offers - Sealed offers – Col. 1, l. 40; any type of auction - Col. 4, l. 41-43; Col. 5, ll. 28-35);
- during the auction duration of the buyer's offer auction, facilitating a winning selection by the seller of one of the sealed offers for the item (Trader is a seller or buyer – Col. 14, ll. 4-5; Acceptance - Col. 5, l. 33; Sealed offer – Col. 1, l. 40; any type of auction - Col. 4, l. 41-43); and
- subsequent to the auction duration of the buyer's offer auction, facilitating an acceptance by the seller of a first-placed highest offer among the sealed offers for the item (Build any type of auction; Col. 4, l. 42; First-placed highest offer – Col. 1, l. 40 a first price sealed-bid auction offer is equivalent; Accepting Bids – Col. 4, ll. 14-15; Col. 5, l. 33).

**Re. Claims 37 & 20**, Shoham discloses wherein the item includes a right (Col. 2, l. 42).

**Re. Claims 38-40 & 21-23**, Shoham does not explicitly disclose

**Re. Claims 38 & 21**, wherein the arrangement of the plurality of sealed offers for the item is in an order from a highest sealed offer to a lowest sealed offer.

**Re. Claims 39 & 22**, facilitating a decline by the seller of at least one of the sealed offers for the item.

**Re. Claims 40 & 23**, facilitating a disqualification by the seller of at least bidder.

However, **re. claims 37-40 & 21-23**, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have implemented the limitations of claims 37-40 and 21-23 because they are implicitly related to the details of administering a sealed bid auction. For example, arranging bids in highest to lowest offer, declining of at least one sealed offer when the offer is uncompetitive or submitted too late, and disqualifying at least one sealed offer when an offer fails to meet the required parameters for a bid or for other reasons such as being associated with a buyer with whom the seller will not do business, such as for credit reasons or objectionable operating practices.

Therefore, given Shoham's broad, comprehensive, inclusive and flexible disclosure, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have used Shoham's disclosure with what would have been obvious to the ordinary practitioner of the art, to construct a method of operating a seller client terminal in conducting a buyer's offer auction for an item involving a seller and a plurality of bidders, motivated by the desire to provide a method and apparatus for designing and deploying an interactive, real-time, universal on-line trading market system serving traders communicating via the Internet (Shoham, Col. 4, ll. 37-40).

**Re. Claims 41 & 24**, Shoham discloses a method and buyer terminal of operating a buyer terminal in conducting a buyer's offer auction for an item involving a seller and a plurality of bidders. Shoham does not disclose the exact language of the method comprising:

during an auction duration of the buyer's offer auction, facilitating an entrance of a sealed offer by the buyer client terminal;

during the auction duration of the buyer's offer auction, displaying the sealed offer by the buyer client terminal among an additional sealed offers for the item from the other bidders; and

subsequent to the auction duration of the buyer's offer auction, receiving a notification of an acceptance by the seller of one of the offers among the at least one sealed offer for the item.

However, Shoham discloses, suggests and makes obvious the following:

- during an auction duration of the buyer's offer auction, facilitating an entrance of a sealed offer by the buyer client terminal (Trader is a seller or buyer – Col. 14, ll. 4-5; Sealed offer – Col. 1, l. 40; any type of auction – Col. 4, l. 41-43; Buyer's client terminal – Col. 5, ll. 36-42; enablement inherently means being able to submit an offer in an auction);
- during the auction duration of the buyer's offer auction, displaying the sealed offer by the buyer client terminal among an additional sealed offers for the item from the other bidders (Display – Fig's 3 & 4; Col. 14, ll. 62-65.); and

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subsequent to the auction duration of the buyer's offer auction, receiving a notification of an acceptance by the seller of one of the offers among the at least one sealed offer for the item (Accepting Bids – Col. 4, ll. 14-15; Col. 5, l. 33).

**Re. Claims 42 & 25**, Shoham discloses wherein the item includes a right (Col. 2, l. 42).

**Re. Claims 43, 44, 26 & 27**, Shoham does not explicitly disclose

**Re. Claims 43 & 26**, wherein the arrangement of the plurality of sealed offers for the item in an order from an oldest time entry of a sealed offer to a latest time entry of a sealed offer.

**Re. Claims 44 & 27**, during the auction duration of the buyer's offer auction, facilitating a retraction of the sealed offer by the buyer client terminal.

However, **re. claims 43, 44, 26 & 27**, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have implemented the limitations of claims 43, 44, 26 and 27 because they are implicitly related to the details of administering a sealed bid auction. For example, arranging bids in an order from an oldest time entry of a sealed offer to a latest time entry of a sealed offer, and facilitating the retraction of an offer before an offer is accepted follows US law.

Therefore, given Shoham's broad, comprehensive, inclusive and flexible disclosure, it would have been obvious to an ordinary practitioner of the art at the time of Applicant's invention to have used Shoham's disclosure with what would have been obvious to the ordinary practitioner of the art, to construct a method of operating a buyer terminal in conducting a buyer's offer auction for an item involving a seller and a plurality of bidders, motivated by the desire to provide a method and apparatus for designing and deploying an interactive, real-time, universal on-line trading market system serving traders communicating via the Internet (Shoham, Col. 4, ll. 37-40).

### ***Conclusion***

5. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is

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(571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Alexander Kalinowski, can be reached on (571) 272-6771.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

***Commissioner of Patents and Trademarks, Washington D.C. 20231***

or Faxed to (571)273-8300 [Official communications; including After Final communications labeled "Box AF"]

or Faxed to (571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

June 12, 2008

/Narayanswamy Subramanian/  
Primary Examiner, Art Unit 3691